

REMARKS

Favorable reconsideration of this application, in view of the present amendments and in light of the following discussion, is respectfully requested.

This Amendment is submitted in accordance with 37 C.F.R. § 1.116, which after Final Rejection permits the entry of amendments canceling claims, complying with any requirement of form expressly set forth in a previously Office Action or presenting rejected claims in better form for consideration on appeal. It is believed that the present amendment places the claims in condition for allowance without requiring any further search and/or consideration. Therefore, it is respectfully requested that the present Amendment be entered under 37 C.F.R. § 1.116.

Claims 23-37 are pending. Claims 23, 25-27 and 36-37 are amended to further clarify the features contained therein. No new matter is introduced.

In the outstanding Office Action, Claims 33-37 were rejected under 35 U.S.C. § 112, second paragraph; Claims 23-37 were rejected under 35 U.S.C. § 101; Claims 23-26, 36 and 37 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Downs (U.S. Patent No. 6,226,618) in view of Colvin (U.S. Patent No. 6,813,718); and Claims 27-35 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Downs, Colvin and Davis (U.S. Patent No. 6,105,008).

Applicants gratefully acknowledge the courtesy of Examiner Worjloh in holding a personal interview with Applicants' representative on February 3, 2011. During the interview the outstanding issues in this case were discussed as summarized below and in the Interview Summary, which the Examiner has made of record. No agreement was reached pending further search and consideration.

Initially, Claim 23 is amended in conformity with the requirements of 35 U.S.C. § 112, second paragraph. Claims 25-27 were amended for consistency with the amendments

to Claim 23. Therefore, it is believed that Claim 23, and the claims depending therefrom, conform to the requirements of 35 U.S.C. § 112, second paragraph.

Moreover, on page 2 the outstanding Office Action asserts that Claims 23-37 are a hybrid of product and process claims. However, the outstanding Office Action provides no reason as to why independent Claims 36 and 37 are deemed to be hybrid claims. Indeed, Claim 36 is directed to a method and recites method steps, and Claim 37 is directed to a terminal apparatus recited in means-plus-function language, invoking 35 U.S.C. § 112, sixth paragraph. Thus, it is believed that Claims 36 and 37 fully conform to the requirements of 35 U.S.C. § 112, second paragraph. Thus, it is respectfully requested that the rejection of Claims 23-37 under 35 U.S.C. § 112, second paragraph, be withdrawn.

Further, it is believed that the amendments to Claims 23 and 36 render this claim statutory under 35 U.S.C. § 101. Claims 24-35 are also statutory under 35 U.S.C. § 101 at least by virtue of their dependency from Claim 23.

As to Claim 37, as noted above, this claim recites means-plus-function terminology. As such, interpretation of Claim 37 is according to 35 U.S.C. § 112, sixth paragraph. Thus, proper interpretation of Claim 37 involves identifying in the disclosure corresponding structure to the functions recited in this claim.¹ The outstanding Office Action, however, bases its rejection of Claim 37 on its analysis that Claim 23 is allegedly of a mixed statutory class. Thus, the outstanding Office Action provides no rationale as to why a person of ordinary skill in the art would not be able to identify corresponding structure to Applicants' claim features recited in means-plus-function terminology. Indeed, it is believed that Claim 37 is statutory under 35 U.S.C. § 101. Accordingly, it is respectfully requested that the rejection of Claims 23-37 under 35 U.S.C. § 101 be withdrawn.

¹ See M.P.E.P. § 2181-2182.

With respect to the rejection of Claims 23-36, 36 and 37 as being unpatentable over Downs in view of Colvin, this rejection is respectfully traversed.

Claim 23 is directed to a payment system for controlling continued use of a software program by a user, and recites:

a terminal configured to access the software program stored on a computer readable storage linked thereto, the terminal including

control means for periodically determining an incremental payment for continued use of the software based on previous use of the software, the control means generating and transmitting an offer message containing at least an identity of a software owner, offer parameters and a digital signature of the software owner for at least part of the offer parameters when the incremental payment is determined... (Emphasis added.)

Thus, Claim 23 defines a terminal that includes control means for periodically determining *an incremental payment* for continued use of the software based on previous use of the software, and which generates an offer message when the incremental payment is determined. No reference cited suggests or discloses this feature.

For example, Downs describes an electronic content delivery system where a digital content store provides encrypted versions of the digital content to the users, which can decrypt the digital content upon payment of a fee for a decryption key.² In this regard, Downs describes that the content delivery system controls use of the digital content based on the conditions of purchase or licensing, such as permitted number of copies, number of plays, and time interval during which the license is valid.³

However, Downs does not describe that the end-user device determines an additional, incremental payment in order to continue the use of the digital contents. Instead, Downs describes that when an end-user finds a content (113), the end-user purchases the content by

² Downs at column 3, lines 40-45; see also Figure 9.

³ Downs at column 7, lines 5-8.

placing it in a shopping cart, where the purchase is submitted to the contents store (103) which, in turn, debits the user's credit card.⁴ In other words, Downs merely describes a one-time purchase of the software or the software license before the software can be used, rather than recurring, incremental payments for continued use of a software already installed and being used at the end-user device. Indeed, the outstanding Office Action appears to acknowledge this deficiency in Downs, and therefore cites Colvin.⁵

Colvin describes a system for limiting software piracy by periodically requiring a new password for a piece of software.⁶ Colvin describes that an initial password is provided upon purchase of the software or software license which provides access to the software for an initial period of time.⁷ Once the initial period of time expires, a new password or authorization code is required by the software, and must be obtained from a password administrator (24) in exchange for updated registration information (50).⁸ Colvin also describes that renewal of a license may be required at regular, irregular or random intervals based on a lapse running time, calendar time or the like.⁹

However, Colvin does not describe that the software determines that an incremental payment is required for continued use. Rather, Colvin merely describes that the software determines that the current password has expired, and notifies the user to contact the password administrator in order to obtain an additional password.¹⁰ Colvin describes that by requiring the user to contact the password administrator (24), the user's registration information can be kept up to date for future use by the software vendor and to verify that the user is indeed the authorized user of the software.¹¹ In other words, Colvin merely describes

⁴ Downs at column 18, steps 134-136; and column 19, step 137.

⁵ See the outstanding Office Action at page 5.

⁶ Colvin at column 2, lines 19-46.

⁷ Colvin at column 4, line 44 - column 5, line 3.

⁸ Colvin at column 6, lines 9-16.

⁹ Colvin at column 7, lines 16-19.

¹⁰ Colvin at column 6, lines 10-15; column 7, lines 10-22.

¹¹ Colvin at column 2, lines 14-28.

that the software ceases to function upon expiration of the password, and that a user must contact a password administrator (24) to obtain a new password in order to resume using the software. Nowhere does Colvin describe that the software, or even the system administrator (24), require a payment from the user in order to receive the new password, much less than such a payment is incremental and based on past use of the software. Conversely, amended Claim 1 recites control means for periodically determining an incremental payment for continued use of the software based on previous use of the software. Therefore, Colvin fails to disclose the claimed control means and does not cure the above-noted deficiencies in Downs. Accordingly, no combination of Colvin and Downs describes every feature of amended Claim 23, and amended Claim 23 is believed to be in condition for allowance, together with any claim depending therefrom.

Amended Claims 36 and 37 recite features substantially similar to those recited in amended Claim 23, and are therefore believed to be in condition for allowance for substantially similar reasons. Accordingly, it is respectfully requested that the rejection of Claims 23-26 and 36-37 under 35 U.S.C. § 103(a) be withdrawn.

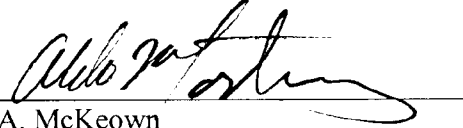
As all other rejections of record rely upon Downs and Colvin for describing the above-distinguished features, and the above-distinguished features are not disclosed or suggested by Downs and/or Colvin, alone or in combination with any other art of record, it is respectfully submitted that a *prima facie* case of obviousness cannot be maintained. Accordingly, it is respectfully requested that the rejection of Claims 27-35 under 35 U.S.C. § 103(a) be withdrawn.

For the reasons discussed above, no further issues are believed to be outstanding in the present application, and the present application is believed to be in condition for formal allowance. Therefore, a Notice of Allowance for Claims 23-37 is earnestly solicited.

Should, however, the above distinctions be found unpersuasive, Applicants respectfully request that the Examiner provide an explanation via Advisory Action under M.P.E.P. § 714.13 specifically rebutting the points raised herein.

Respectfully submitted,

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A handwritten signature in black ink, appearing to read "Scott A. McKeown", is written over a horizontal line.

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